

Lieutenant Governor

State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 29, 2008

Jerome Bown Bown Stone Products 93 West 300 South P. O. Box 224 Manti, Utah 84642-0224

Subject: Permit to Commence Small Mining Operations, Bown Stone Products, Desert Sienna

Mine, S0150093, Task 2322, Emery County, Utah

Dear Mr. Bown:

The Division finds your notice of intention (Notice) complete and approves the reclamation surety for the Desert Sienna mine. You are now permitted to conduct small mining operations on five acres as outlined in the Notice provided you have approval from the Bureau of Land Management and any other appropriate agency. Copies of the Notice and of the signed reclamation contract are enclosed with this letter.

Please keep in mind the following regulatory requirements.

- The Division must be notified no later than 30 days after beginning mining operations.
- Mining disturbance is only allowed in the area identified in the Notice and Reclamation Contract.
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material are worth saving to aid in later revegetation efforts, and future surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office and State History of your find.
- Permit fees are due July 30.
- Annual reports are due by December 31st.
- The reclamation surety will be reviewed every 3 years.
- The Division requests that the disturbed area boundary (including assess/haul roads) be marked with metal T-posts to identify the area permitted for mining.



Jerome Bown Page 2 of 2 S0150093 April 29, 2008

The Division's web page at http://ogm.utah.gov/ under the Mining Program has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number \$0150093. If you have questions or concerns regarding this letter, please contact me at 801-538-5258 or Paul Baker at 801-538-5261. Best wishes with your mining venture.

Sincerely,

Susan M. White

Mine Program Coordinator Minerals Regulatory Program

Juan M. Thit

SMW:PBB:pb Task #2322

Attachment: Approved SMO Notice
Enclosure: Copy of RC & surety forms
cc: Chris Conrad, Price BLM w/Encl

Opie_Abeyta@blm.gov, BLM State Office, w/Encl

Emery County

P:\GROUPS\MINERALS\WP\M015-Emery\S150093-DesertSienna\final\appr-04282008.doc

FORM MR-RC (SMO)
Revised August 9, 2006
RECLAMATION CONTRACT

Mine Name: Desert Sienna

Other Agency File Number: UTU-79570

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION of OIL, GAS and MINING

1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5291 Fax: (801) 359-3940



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SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between <u>Bown Stone Products</u>, <u>Inc.</u> the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. <u>S/015/093</u> which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

- 1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
- 2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:

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A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on
5 the ways, roots, fait roads; land excervisions; and

DIV. OF OIL, GAS & MINING

- workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and
- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.

COPY

- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
- 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as ATTACHMENT A to this Contract.
- 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety



for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

- 6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
- 7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
- 8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
- 9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
- 10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
- 11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

- 12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
- 13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
- 14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
- 15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
- 16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

COPY

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:
Bown Stone Products, Inc. Operator Name
By Bown Authorized Officer (Typed or Printed) President
Authorized Officer - Position 3/3/2008 Officer's Signature Date
STATE OF
On the day of
Notary Public MARIE ANDERSON NOTARY PUBLIC - STATE A UTAH 140 NORTH MAIN-POB 37 MANTI, UTAH 84642 COMM. EXPIRES 2-19-2010 My Commission Expires:

DIVISION OF OIL, GAS AND MINING:	
By John R. Baza, Director	<u>4/16/08</u> Date
STATE OF <u>Utah</u>	_)) ss:
county of <u>Salt Lake</u>) ss. _)
On the ltdday of April personally appeared before me, who being du is the Directo Department of Natural Resources, State of Uta he executed the foregoing document by autho	or of the Division of Oil, Gas and Mining, and he duly acknowledged to me that
My Commission Expires:	PENNY BERRY NOTARY PUBLIC - STATE OF UTAM 1594 W. NORTH TEMPLE, STE 1210 SALT LAKE CITY, UT 84116 My Comm. Exp. 01/11/2011

FACT SHEET

Commodity: Thin Bedded Sandstone	
Mine Name: Desert Sienna	
Permit Number: <u>\$\\ 0\15\\ 093</u>	
County: Emery	
Disturbed Acres: 5	
Operator Name: Bown Stone Products, Inc.	- ~
Operator address: 43 W. 300 S. Manti, Ut. 84642	P.O. Box 37
Operator telephone: 435-835-1797	
Operator fax: 435 - 835 - 1797	
Operator email: jonnothothail.com	
Contact: Verome L. Bour	
Surety Type: DOGM to held funds.	@COPY
Held by (Bank/BLM): <u>⊅OG</u> M	
Surety Amount: <u>20,100</u>	
Surety Account Number:	
Escalation Year:	
Tax ID or Social Security (for cash only):	
Surface owner: BLM	
Mineral owner: BLM	
UTU and/or ML number: <u>UTU-79570</u>	



148037352

Issued by Integrated Payment Systems Inc.; Englewood, Colorado Wells Fargo Bank Ltd., Los Angeles, California 16-3717/1220

Remitter Bown Stone Products

Pay to the order of <u>State</u>

2008 Date_

\$20,700.00

Twenty Thousand Seven Hundred and 00/100************************

ORIGINAL CHECK ROUTED TO ACCOUNTING

RECEIVED MAR 2 4 2008

DIV. OF OIL, GAS & MINING

Cash RECEIPT

	Amount
Permit Number	5/015/093
Operator	Bown Stone Products
Received by	Jed Pearson
Signature	I confirm the dollar amount of this check is correct
L	

Form MR-SMO (Revised April 21, 2005)

I.

Assigned DOGM File DOGM Lead:	No.: S /	1
Permit Fee \$	Ck	#

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 1594 West North Temple Suite 1210

1594 West North Temple Suite 1210 Box 145801

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

9	GENERAL INFORMATION (Rule R647-3-104)
1.	Name of Mine: Desert Sierna
2.	Name of Person or Entity Applying for Permit: Bown Stone Foliats Inc Contact (Authorized Officer): Denome Town Address: 95 W. 700 s City, State, Zip: Mant Ut 84641 Phone: 475-835-1797 Fax: same E-mail Address: 3204 Down (a hot man) - com
	Company () Corporation (*) Partnership () Individual () Other ()—specify type) A corporation must be registered with the State of Utah, Division of Corporations. Are you currently registered to do business in the State of Utah? 以 Yes □ No Business License # 1835(83-014)
	Registered Agent (as identified on business license): Decome Driving Address: 47 4 3005 City, State, Zip: Wan to the X4642 Phone: 435-535-1747 Fax: 5000 E-mail Address: 47 40000000000000000000000000000000000
•	Name of Operator (if different from #2)
	City, State, Zip: Fax: Fax:
	APPROVED JAN 2 5 2008

DIV. OIL GAS & MINER

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DIV. OF OIL, GAS & MIRELY

Address:		
City, State, 210:		
Phone:	Fax:	-
E-mail Address:		
Name of 2" owner	r / Partner:	
Address:		
City, State, Zip:	For	
F-mail Address:	Fax:	
If Corporation or L	imited Liability Entity:	
Name of Officers:	Jerome L. Boin	Title: Praintent
	Danny b. Ring	Title: Vice Presid
	Matthew C. Down	
		Title:
Permittee / Operato	r Representative (if different from	#2):
Name:		
Address:		
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	Form MR	Page
		BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s):
		BLM Claim Numbers IMC380317 & IMC381671
		Utah State Lease Number(s):
		Name of Lessee(s)
		7. Have the above surface and mineral owners been notified in writing? Yes No
		If no, why not?
	•	8. Does the Permittee / Operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes No
	11.	PROJECT LOCATION & MAP (Rule R647-3-105)
		1. <u>Project Location</u> (legal description): County(ies): <u>Emery</u>
#\ # 0+5 48 +		1/4, of1/4: Section:
	known)	UTM East (if known) UTM North (If
: -		Name of Quad Map for Location:
		2. An accurate topographic base map showing the location of the proposed small mining

- 2. An accurate topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USG\$ 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.
- 3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) should be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

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III. <u>OPE</u>	ERATION PLAN (Rule R647-3-106)
1.	Type of mining: Surface (A) Underground □
2.	Mineral(s) to be mined: SandStone
3.	Amount of material to be extracted, moved or proposed to be moved:
4.	Will any water, liquid chemicals, reagents, or other solutions be used, produced of discharged as part of the mining or milling process? Yes □ No 対 If yes, please describe (add extra pages if needed)
5.	Provide a brief description of the proposed mining operation and onsite processis
	exavator. Wheel loader wed to maneuver stone. Stane will be processed by hand a hydraulic Stone witter. Tools & supplies will be stored in a 20 steel container.
6.	New Road(s): Length + + + (ft) Width 12 (ft)
7.	☐ Improved Road(s): Length(ft) Width(ft)
8.	Total project surface acreage to be disturbed: (acres) PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI).
9.	Proposed startup date of project (month, year) ASAP
10.	Proposed completion date of project, if known (month, year) in home

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 106 & 108)

The rectamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

- 1. Keep the mining operation in a safe, clean, and environmentally stable condition.
- 2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
- 3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
- Construct berms, fences, or barriers, when needed, above highwells and excevations.
- 5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.

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- 6. Remove all waste or debris from stream channels.
- 7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
- 8. Conduct mining activities so as to minimize erosion and control sediment.
- 9. Reclaim all roads that are not part of a permanent transportation system.
- 10. Stockpile topsoil and suitable overburden prior to mining.
- 11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
- 12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
- 13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
- 14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

V. Ai	ny variance requ Yes □ Any planned de Requirements,	No □ No □ eviations from F or R647-3-109	Rules R647-3-107 ,	ng by the Division Operation Practices, ctices, as summarize	, R647-3-108, Hole P d above, should be in	lugging Jentified
	Item Number	Variance Rec	uest Justification			
VI.	The Utah all mining affected is surety am based on actual site \$5,000 for	Mined Land Ro operations fun reclaimed acc ount is based (to and approved eclamation Act (4 nish and maintain cording to approve on the nature, extent large mine su	0-8-7 (1)[c] and 40-4 • reasonable surety (ed <i>notices</i> consisten ent and duration of (or to commenceme 8-14 provides the auto guarantee that the twith on-site conditoperations. These as a general guide, al	thority that e land ions. The imounts are
ide 区	entity which type of Certificate of Do Other	eposit	post so we can pro Letter of Credit	vide you with the appr Surety Bond	it, surety bonds & casi opriate forms. Cash cash to administer cash a	
Ch	eck if applicable:			egulatory agency (cop	y must be included a	

VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to <u>new</u> and <u>existing</u> notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

	The following person(s) are authorized and designated to receive Notices of Violations,
	ssation Orders and all other Notices required by the Division to be given to the permittee or erator:
ор	GIALUI.
	Name: Oliona Bois
	Address: 93 12, 300 5 / Tox 124
	City, State, Zip: Manti, Ut. 8464)
•	Phone: 435-851-0216 Fax: 435-835-1797 E-mail Address: 100000000000000000000000000000000000
	E-mail Address: Jerry house hornail con
	Name: Donnin John
	Address: TGHE 6005. 1704 27
	City, State, Zip: Manti, Wt. 84'647
	Phone: <u>476-451-0185</u> Fax
	E-mail Address.
VII	I. <u>SIGNATURE REQUIREMENT</u>
	hereby verify that the foregoing information is true and accurate and commit to the
	reclamation of the aforementioned small mining project as required by the Utah Mined Land
	Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
, (PI	ease check the box and place your initials on the line provided)
prev. paid	I have enclosed the required permit fee.
7	I have also enclosed the appropriate reclamation surety amount or have made
	arrangements as to when the surety will be furnished.
<i>c</i> }	I understand that I am not authorized to create any surface disturbance until the surety
	amount is posted and approved in writing from the Division of Oil, Gas and Mining and
	any other authorized regulatory agency.
	(Note: If a company or corporation, this form <u>must</u> be signed by the owner or
	officer who is authorized to bind the company/corporation to this Notice.)
	Signature of Permittee/ Operator/ Applicant:
	Name (typed or printed):
	Title/Position (if applicable): Proside of
	Date: \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
O-VE	ORMS\Notices\mr-smo-04212005.doc

APR 2 5 2008

DIV. OIL GAS & A. .

MINE PLAN

PLAN OF OPERATION / SMALL MINE

1. Applicant Information:

A. Claim and Project Information

Operator: Bown Stone Products, Inc.

EIN: 72-1595483

Claim Name: Desert Sienna/UMC380317

Claim Type: Placer

Minerals to be Mined: Thin bedded Sandstone

Surface Ownership: BLM

Claim Owners: Jerome L. Bown, Danny L. Bown, Matthew C. Bown, Bown

Stone Products, Inc.

Addresses:

Jerome L. Bown 93 west 300 south Manti, Utah 84642

Danny L. Bown 595 east 600 south Manti, Utah 84642

Matthew C. Bown 954 east 960 south Ephraim, Utah 84627

Bown Stone Products, Inc 93 west 300 south Manti, Utah 84642 APP 2 5 2008

DIV. OIL GAS

Location of Claim/Project: T21 S, R8E, SLBM.

SEC. 6: Lots 1 & 8 SEC. 5: Lots 4 & 5

Part of new road extends into: T20 S, R8E, SLBM.

SEC. 31: Lot 11

Molen, Utah Quadrangle Map

B. Individual Completing Application: Jerome L. Bown

President, Bown Stone Products, Inc.

Date: 8/15/05

C. Business Address: see above

D. Telephone Number: 435-835-1797

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JAN 2 5 2008

2. Operating Plan:

E. Description of Operations:

Access to the project site will be on existing multiple use roads. A 12' wide road will be developed to access the active parts of the quarry. A wheel loader (3-5 yard machine size) will be used to make slight improvements on necessary spots, mainly to prevent rutting (see map). A processing/inventory/loading pad will be constructed using the wheel loader. The geography of the area is relatively flat. Small amounts of Overburden/waste rock will be used to fill in voids and low spots. Overburden/waste rock will also be used on this road for leveling. Stone will be extracted using an excavator (60,000-80,000 lb track excavator). The deposit is bedded horizontally. The Excavator will be positioned on top of the target deposit and stone will be pulled up from its natural beds. The stone will then be loaded into the wheel loader and transported to a processing pad. The stone will be split, graded, and packaged for shipment. Transport trucks will be loaded with the wheel loader on the processing pad. Some stone may be shipped in raw form to a processing plant to be sawn and then split into tiles. Product will be sold to Brokers, retailers and installers for decorative applications.

We intend to work the quarry in a consistent flow as opposed to five acre segmented disturbances. This will allow continuous production. Five acre segment disturbances freeze operations while waiting for re-growth on previous disturbances. We will implement concurrent excavation/reclamation while staying within the five acre allowance (see map).

In times of non-operation all benches and pits will be bermed, and unstable materials (loose slabs/unstable earth) will be removed. The stone deposit being mined is solidly bedded and has stable characteristics, as to not erode or slide.

Diesel fuel will be stored in a 500 gallon gravity powered tank on the pad. The tank will have a safety reservoir underneath it in case of tank failure. Machines will be fueled with this tank, taking care not to spill or over fill. Hand tools and maintenance supplies will be stored in a 20' steel storage container on the pad.

F. Topographic maps: Attached

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G. Description of areas to be disturbed:

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This will be an open pit mine / Bench type. There will also be a processing pad of about 1 acre in size. Minimal waste piles will be used to backfill the

disturbed excavations. Access routes will be traveled by tractor trailer trucks, flatbed type, and passenger car size vehicles.

H. Previous Disturbances: None.

I. Water Bodies: None.

J. Acreage Disturbance: Total: 50 acres. Not more than 5 acres at any time.

3. Reclamation Plan:

Initiation of operation: ASAP Completion Date: Unknown

Access roads will be maintained to prevent any unnecessary rutting and so forth, and also for safety. We will also take measures in the quarry as to not disturb unnecessary land.

We will incorporate concurrent reclamation as the quarry operates. The proper berms will be maintained for roads, open pits etc. The excavated land will be backfilled with waste rock, topped with soil and planted. All equipment, machinery etc. will be removed after completion. This will be done in accordance with BLM and DOGM rules and regulations. Reclamation efforts will be monitored and maintained until BLM and DOGM are satisfied.

Post-mining land use will be the same as present use (grazing and recreation).

We (the operator) agree to assume responsibility for the reclamation of any surface area affected by the mining operation.

4. Bonding

Estimate of reclamation cost: To be established between BLM & DOGM.

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5. Acknowledgements:

- a. It is understood that should the nature of the operation change, a modified or supplement plan of operations and reclamation will be required.
- b. It is understood that approval of this plan of operation and reclamation does not constitute:
 - i. certification of ownership to any person named herein; and
 - ii. recognition of the validity of any mining claim herein.
- c. It is understood that a bond equivalent to the actual cost of performing the agreed upon reclamation measures will be required before ground disturbing activities may begin. Bonding and any bond reduction amounts will be set on a site-specific basis by the lead agency in coordination with the cooperating agencies.
- d. It is understood that approval of this plan does not relieve me of my responsibility to comply with any other applicable State or Federal laws, rules or regulations.
- e. It is understood that any information provided with this plan that is marked confidential will be treated by the agency in accordance with the agency's laws, rules and regulations. I/we have reviewed and agree to comply with all conditions in the plan of reclamation and operations, including the recommended changes and reclamation requirements. I/we understand that the bond will not be released until the BLM gives written approval of the reclamation work.

Date: 1/21/2008

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Jerome L. Bown, President



